

Opening Statement of Chairman Fred Upton
Health Subcommittee Hearing On “Making Medicaid Work For Our Most
Vulnerable”
July 8, 2013

Today’s hearing is the third in a series of subcommittee hearings on the current challenges facing Medicaid programs across the country. I want to thank Chairman Pitts for his leadership on this issue and want to welcome today’s witnesses.

Through the Committee process, we can continue to have a valuable discussion about the strengths and weaknesses of the current Medicaid program. As we move toward reform, I hope we will continue to gather the most relevant and timely data and state input, and continue these important discussions with Medicaid stakeholders and patients.

The Medicaid program is extremely complex and its operating structure and equally complex financing framework are often topics for reform. Many have said that if you see one Medicaid program, you still only know one Medicaid program - as every state is quite different.

Before we move forward, we must understand not only who Medicaid is currently serving, but better appreciate how well Medicaid is doing in accomplishing its goals.

Reform must ensure the path forward for a modern Medicaid program that is strong enough to face the challenging realities of scarce federal and state resources. Reform must empower states and Medicaid stakeholders with the necessary flexibility to make Medicaid more than just a coverage program or card without access.

Surprising to most, Medicaid today covers more Americans than any other government-run health care program, including Medicare.

While Medicaid covered approximately four million people in its first year, there were more than 72 million individuals enrolled in the program at some point in Fiscal Year 2012 – nearly 1 in 4 Americans.

Those enrollment figures on their own, and their potential drain on the quality of care of the nation's most vulnerable folks is cause for alarm. But once the president's health care law is fully implemented, another 26 million more Americans could be added to this already strained safety net program.

Medicaid enrollees today already face extensive difficulties finding a quality physician because, on average, 30 percent of the nation's doctors won't see Medicaid patients. Studies have shown that Medicaid enrollees are twice as likely to spend their day or night in an emergency room than their uninsured and insured counterparts.

Instead of allowing state and local officials the flexibility to best administer Medicaid to fit the needs of their own populations, improve care, and reduce costs, the federal government has created an extensive, "one-size fits-all" maze of federal mandates and administrative requirements.

With the federal debt at an all-time high, closing in on \$17 trillion and states being hamstrung by their exploding budgets, the Medicaid program will be increasingly scrutinized over the next 10 years.

Its future ability to provide coverage for the neediest kids, seniors, and disabled Americans will depend on its ability to compete with state spending for

other priorities including education, transportation, public safety, and economic development.

As I noted at the opening, Energy and Commerce Committee Republicans remain committed to modernizing the Medicaid program so that it is protected for our poorest and sickest citizens. We will continue to fight for those citizens because we believe they are currently subjected to a broken system.

The program needs true reform, and we can no longer tinker around the edges with policies that add on to the bureaucratic layers that decrease access, prohibit innovation, and fail to provide better health care for the poor.

In May, Senator Hatch and I introduced *Making Medicaid Work* – a blueprint and menu of options for Medicaid reform that incorporated months of input from state partners and policy experts from a wide range of ideological positions. My hope is that this morning's hearing is the next step in discussing the need for reform so that we can come together in finalizing policies that improve care for our most vulnerable citizens. Washington does not always know best – we have a lot to learn from our states and should better understand the challenges facing our current programs before we consider any expansion of the program.

Thank you, Mr. Chairman and I yield my remaining time to _____.